



# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

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GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

March 05, 2013

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

37 March 5, 2013

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

### **BUS STOP SHELTER PROGRAM LICENSE AGREEMENT 63885 – AMENDMENT 7 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

### **SUBJECT**

This action is to amend Agreement 63885 with Clear Channel Outdoor, Inc., for the Los Angeles County Bus Stop Shelter Program to extend the duration of the agreement on a month-to-month basis for up to 6 months to complete the solicitation for a new agreement.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the Los Angeles County Bus Stop Shelter Program is categorically exempt from the California Environmental Quality Act.
2. Approve continuation of the Los Angeles County Bus Stop Shelter Program utilizing Clear Channel Outdoor, Inc., to operate and maintain the advertising bus stop shelters in various locations of the unincorporated County of Los Angeles areas.
3. Approve amending the agreement with Clear Channel Outdoor, Inc., located in Los Angeles, California, for the Los Angeles County Bus Stop Shelter Program to enable this agreement to continue on a month-to-month basis for up to 6 months starting March 11, 2013.
4. Authorize the Director of Public Works or her designee to execute an amendment to renew the contract on a month-to-month basis for each month if in the opinion of the Director of Public Works or her designee the contractor has successfully performed the work during the previous month and the

services are still required, to suspend work if in the opinion of the Director of Public Works or her designee it is in the best interest of the County of Los Angeles to do so, and to approve and execute amendments to incorporate necessary changes within the agreement.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended action is to amend the agreement with Clear Channel Outdoor, Inc., for the Los Angeles County Bus Stop Shelter Program in a form approved by County Counsel to extend the duration of the agreement on a month-to-month basis for up to 6 months under the current terms and conditions. This amendment will enable Clear Channel Outdoor, Inc., to continue operating and maintaining the existing advertising bus stop shelters while Public Works completes solicitation and evaluation for the Program and awards a successor licensee to replace up to 325 advertising shelters.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provisions of Operational Effectiveness (Goal 1) and Integrated Services Delivery (Goal 3). Providing advertising bus stop shelters to protect transit patrons from inclement weather and to provide a comfortable location while they wait for a bus helps to improve the quality of life of our transit patrons.

### **FISCAL IMPACT/FINANCING**

There will be no impact on the County General Fund.

Clear Channel Outdoor, Inc., performs maintenance and operation of advertising bus stop shelters at various locations throughout the unincorporated County areas at no cost to the County. The County annually receives 15 percent of the gross advertising revenue less agency sales commission with a guaranteed annual minimum payment of \$100,000. Since the bus stop shelters are located in road right of way, the revenue is deposited in the Road Fund. A portion of the revenue generated from this agreement will be used to administer the program and any remaining funds will be used to operate and maintain existing road infrastructure.

In 2012, Clear Channel Outdoor, Inc., was required to pay the County a possessory interest tax of 1.27 percent of the assessed value of the bus stop shelters. The possessory interest tax was \$4,151. Clear Channel Outdoor, Inc., will continue to accrue applicable possessory interest taxes for the monthly extension. These tax receipts will be deposited in the County General Fund.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The amendment will continue the contract's current terms, specifications, and conditions for up to an additional 6 months. The Director of Public Works or her designee in accordance with the Board's authorization and only upon proper execution by the licensee and approval, as to form, by County Counsel will execute the enclosed amendment.

On March 15, 1983, the Board approved a Program to install bus stop shelters at various locations throughout the unincorporated County areas. On June 19, 1990, the Board authorized the Director of Public Works to negotiate and arrange for a license agreement with Metro Display Advertising, Inc., d.b.a. Bustop Shelters of California, Inc., to install and maintain approximately 280 bus stop shelters in unincorporated County areas. The Board approved the 10-year Agreement 63885 on

September 10, 1990. On October 19, 1999, the Board approved Amendment 1 to this agreement. Amendment 1 authorized the installation of up to an additional 500 shelters; modified the revenue to be paid by Metro Display Advertising, Inc., to be the greater of \$100,000 per year or 15 percent of the gross advertising revenues less agency commission; and authorized the Director to implement a 5-year extension of the agreement effective September 11, 2000. On September 6, 2005; August 29, 2006; and August 7, 2007, the Board approved Amendments 2, 3, and 4, respectively, to this agreement. Amendments 2, 3, and 4 each provided for a 12-month continuation of the agreement on a month-to-month basis while Public Works proceeded with the solicitation process for a replacement agreement to provide for the Program.

On May 1, 2008, Public Works issued a Request for Proposals (RFP) to maintain and replace all existing advertising bus stop shelters. The one proposal received was disqualified due to ponsiveness. On August 12, 2008, Agenda Item 31, the Board approved Amendment 5 to the agreement with Clear Channel Outdoor, Inc., to extend the contract terms on a month-to-month basis for 30 months from September 11, 2008, to March 10, 2011. The 30-month period was to provide the necessary time for Public Works to resolicit the program, select a successor licensee, and provide a transition period for Clear Channel Outdoor, Inc., to remove its advertising bus stop shelters with minimal impact on the public prior to the installation of shelters by the new licensee.

On August 12, 2008, Public Works issued another RFP to solicit proposals to maintain and replace the existing advertising bus stop shelters. Public Works received one proposal. Public Works staff evaluated the proposal and determined that it was responsive and that the proposer was responsible. However, on November 18, 2008, the proposer, Clear Channel Outdoor, Inc., indicated that they were unable to carry out the terms of their proposal but would be able to continue performing the services under the current contract.

The Program requires a significant capital investment to be made by the licensee, which is paid for by advertising revenue. The economy negatively impacted the amount of advertising revenue generated. The RFP permitted the rejection of all proposals. On March 3, 2009, the Board approved the rejection of all proposals received on October 6, 2008.

On June 29, 2010, the Board approved Amendment 6 to the agreement which provided for a 24-month continuation of the agreement through March 10, 2013, while Public Works evaluated the program and waited for more favorable economic conditions to prevail in the advertising business to support solicitation for a successor licensee of this Program.

On November 28, 2012, Public Works issued a new RFP to solicit proposals to maintain and replace the existing advertising bus stop shelters. The original deadline to submit the proposals was set for January 3, 2013. Clear Channel Outdoor, Inc., one of the two potential bidders requested a 3- to 4-week extension to the submittal deadline. The extension would not allow Public Works enough time to evaluate the proposal and award a new contract before the expiration of the current licensee agreement on March 10, 2013. Public Works seeks to extend the current contract on a month-to-month basis for up to 6 months allowing time for Public Works to complete the solicitation process and award a new contract to the successor licensee.

## **ENVIRONMENTAL DOCUMENTATION**

This Program is categorically exempt from the California Environmental Quality Act pursuant to Section 15302(b) of the California Environmental Quality Act guidelines and Class 2(a) of the Environmental Reporting Procedures and Guidelines adopted by the Board on November 17, 1987.

The Honorable Board of Supervisors

3/5/2013

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This exemption provides for the replacement of structures with a new structure of substantially the same size and purpose.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This amendment to the agreement will enable Clear Channel Outdoor, Inc., to continue maintaining and operating all advertising bus stop shelters installed in accordance with this agreement.

**CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Programs Development Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:JTW:nc

Enclosures

c: Assessor  
Chief Executive Office (Rita Robinson)  
County Counsel  
Executive Office  
Treasurer and Tax Collector

## **SEVENTH AMENDMENT TO LICENSE AGREEMENT 63885**

THIS AMENDMENT, made and entered into this \_\_\_ day of \_\_\_\_\_, 2013, by and between the COUNTY OF LOS ANGELES, a subdivision of the State of California, a body corporate and politic (hereinafter referred to as COUNTY), and CLEAR CHANNEL OUTDOOR, INC., a Delaware corporation (hereinafter referred to as LICENSEE).

### **WITNESSETH**

WHEREAS, on September 11, 1990, COUNTY entered into AGREEMENT 63885 with Metro Display Advertising, Inc., d.b.a. Bustop Shelters of California, Inc. (hereinafter referred to as AGREEMENT), to provide for the placement and maintenance of transit shelters at selected locations on portions of COUNTY streets and highways; and

WHEREAS, on January 23, 1998, Eller Media, Inc., a subsidiary of Clear Channel Communications, Inc., acquired Metro Display Advertising, Inc.; and

WHEREAS, the First Amendment to this AGREEMENT was approved on October 19, 1999, to modify the revenue portion of the AGREEMENT; and

WHEREAS, in accordance with the AGREEMENT'S Section 2, Duration, it was mutually agreed upon in writing on October 25, 1999, to extend the term of the AGREEMENT for a period of 5 years, commencing on September 12, 2000, through September 11, 2005; and

WHEREAS, on July 2, 2001, Eller Media, Inc., changed their operating name to Clear Channel Outdoor, Inc.; and

WHEREAS, the Second Amendment to this AGREEMENT was approved on September 6, 2005, to among other terms and conditions extend the AGREEMENT on a month-to-month basis, up to 12 months through September 10, 2006; and

WHEREAS, the Third Amendment to this AGREEMENT was approved on August 29, 2006, to extend the AGREEMENT on a month-to-month basis, up to 12 months through September 10, 2007; and

WHEREAS, the Fourth Amendment to this AGREEMENT was approved on August 7, 2007, to extend the AGREEMENT on a month-to-month basis, up to 12 months through September 10, 2008; and

WHEREAS, the Fifth Amendment to this AGREEMENT was approved on August 12, 2008, to among other terms and conditions extend the AGREEMENT on a month-to-month basis, up to 30 months through March 10, 2011.

WHEREAS, the Sixth Amendment to this AGREEMENT was approved on June 29, 2010, to among other terms and conditions extend the AGREEMENT on a month-to-month basis, up to 24 months through March 10, 2013.

WHEREAS, COUNTY has a need for LICENSEE to continue providing operating maintenance and repair service for the Los Angeles County Bus Stop Shelter Program (hereinafter referred to as PROGRAM) pending solicitation of a successor licensee; and

WHEREAS, LICENSEE will continue to compensate COUNTY for rental of advertising space on all advertising bus stop shelters installed under this PROGRAM according to the terms of the AGREEMENT; and

WHEREAS, the parties desire to extend the AGREEMENT beyond March 10, 2013, for up to an additional six (6) months on a month-to-month basis to allow for continuation of the PROGRAM until the COUNTY solicits a successor licensee.

NOW, THEREFORE, in consideration of these facts and the mutual benefits to be derived by LICENSEE and COUNTY based on the promises herein contained, COUNTY and LICENSEE agree that AGREEMENT 63885 and its amendments shall be amended as follows:

FIRST: That the AGREEMENT term is extended on a month-to-month basis, up to a maximum of six (6) months beginning on March 11, 2013. Month-to-month extensions are automatically granted without further action by the COUNTY, unless the COUNTY provides written notice of nonrenewal at least 30 days before the last day of any month, in which case this contract shall expire as of midnight on the last day of the succeeding month.

SECOND: The AGREEMENT, shall be revised by adding the following Section 43.

43. County Contract Database/CARD

The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

THIRD: Except as modified in this seventh AMENDMENT, all other terms, conditions, requirements, and specifications set forth in the AGREEMENT and in the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, and Sixth Amendment to the AGREEMENT as amended shall remain in effect for the entire AGREEMENT term.

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IN WITNESS WHEREOF, the parties hereto have caused this AMENDMENT to be executed by their respective officers, duly authorized, by LICENSEE on \_\_\_\_\_, 2013 and by the DIRECTOR OF PUBLIC WORKS on \_\_\_\_\_, 2013, pursuant to authority delegated by the COUNTY OF LOS ANGELES BOARD OF SUPERVISORS on March 5, 2013.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Director of Public Works

APPROVED AS TO FORM:

JOHN F. KRATTLI  
County Counsel

By \_\_\_\_\_  
Deputy

CLEAR CHANNEL OUTDOOR, INC.

By \_\_\_\_\_  
Its Vice President, Real  
Estate and Public Affairs